

INFLATION IS REAL?!

This past month solidified what we all knew to already be true, inflation is not transitory. Fed chairman Jerome Powell acknowledged this when he changed his tune during a congressional hearing stating that it was, “probably a good time to retire that word.” This left the market in disarray as it tried to figure out what the future Fed policy will be and what it would mean for the economy.

Fortunately, this is something we were prepared for as many of the companies that we follow have been ringing the inflation alarm bell for some time now.

Wages are rising and the call for unionization among workers has been steadily increasing. This can be seen at a wide range of companies such as

Kellogg's, John Deere, Amazon, and Starbucks that have had to contend with strikes and labor unrest for much of the year. The pandemic has upended the way we work and has changed the demand and expectations employees have regarding their jobs and responsibilities. People want higher pay, more flexible hours, and a more balanced work/life relationship. Regardless of your view towards these topics, they will lead to higher wage costs which will likely stick and eventually be passed on to us, the consumers, by way of higher prices. This is a clear sign that inflation will be with us for a while.

If the Fed's about face wasn't enough, the market was confronted with yet another Covid-19 variant - Omicron. Although the initial consensus was that the Omicron variant will not be as debilitating as prior ones, the market was left confused as to what the ultimate effects would be. Thankfully, it did not have a big effect on the holiday celebrations as people were unwilling to let that happen again.

Happy New Year!



MARGAUX FIORI

CEO, Fiori Financial Group,
Financial Advisor, RJFS
205 SE 20th St, Fort
Lauderdale, FL 33316
954-763-2600

Securities offered through Raymond James Financial Services, Inc., member FINRA/SIPC. Investment advisory services are offered through Raymond James Financial Services Advisors, Inc. Fiori Financial Group is not a registered broker/dealer and is independent of Raymond James Financial Services. Views expressed are not necessarily those of Raymond James and are subject to change without notice. Information provided is general in nature and is not a complete statement of all information necessary for making an investment decision. Past performance is not indicative of future results. There is no assurance these trends will continue or that forecasts mentioned will occur. Investing always involves risk and you may incur a profit or loss.